JOINT STOCK COMPANY
AIR ASTANA

Condensed Consolidated Interim Financial Information
for the six-month period
ended 30 June 2022 (unaudited)

JOINT STOCK COMPANY AIR ASTANA

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Management is responsible for the preparation and presentation of the condensed consolidated interim financial information of JSC Air Astana (the "Company") and its subsidiary (the "Group") as at 30 June 2022, the results of its operations, cash flows and changes in equity for the six-month period then ended, in compliance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34).

In preparing the condensed consolidated interim financial information, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group, and which enable them to ensure that the condensed consolidated interim financial information of the Group comply with IAS 34;
- maintaining statutory accounting records in compliance with the legislation of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

The condensed consolidated interim financial information for the six-month period ended 30 June 2022 was authorised for issue on 29 July 2022 by management of the Group.

On behalf of the Group's management:

Peter Foster	**Ibrahim Canliel**	**Saule Khassenova**
President	**Chief Financial Officer**	**Chief Accountant**
29 July 2022 Almaty, Republic of Kazakhstan	29 July 2022 Almaty, Republic of Kazakhstan	29 July 2022 Almaty, Republic of Kazakhstan

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders of JSC Air Astana

Introduction

We have reviewed the condensed consolidated interim statement of financial position of JSC Air Astana (the "Company") and its subsidiary (the "Group") as at 30 June 2022, and the related condensed consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial information (the "condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information as at 30 June 2022 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Mukhit Kossayev

Engagement Partner

KPMG Audit LLC

Almaty, Republic of Kazakhstan

29 July 2022

JOINT STOCK COMPANY AIR ASTANA

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

(in thousands of USD)

	Notes	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Revenue and other income			
Passenger revenue	6	397,143	292,377
Cargo and mail	6	9,155	18,711
Other income	6	3,363	3,240
Total		**409,661**	**314,328**
Operating expenses			
Fuel*		(83,604)	(49,570)
Depreciation and amortisation	11	(64,939)	(57,923)
Employee costs	7	(55,483)	(43,764)
Engineering and maintenance	7	(49,549)	(38,729)
Handling, landing fees and route charges	7	(37,256)	(29,621)
Passenger service	7	(34,642)	(26,827)
Selling costs	7	(14,507)	(11,540)
Aircraft crew costs	7	(8,454)	(4,767)
Information technology		(2,882)	(2,015)
Insurance		(2,714)	(3,470)
Aircraft lease costs	7	(2,491)	(2,162)
Consultancy, legal and professional services		(2,072)	(1,435)
Property lease cost		(1,222)	(1,317)
Taxes, other than income tax		(234)	(1,097)
Impairment loss		(8)	(23)
Other		(9,484)	(3,560)
Total operating expenses		**(369,541)**	**(277,820)**
Operating profit		**40,120**	**36,508**
Finance income*	8	1,458	650
Finance costs	8	(19,723)	(25,804)
Foreign exchange loss, net		(8,497)	(5,372)
Profit before tax		**13,358**	**5,982**
Income tax expense	9	(3,872)	(1,114)
Profit for the period		**9,486**	**4,868**
Basic and diluted profit per share (in USD)	19	**558**	**286**

* Gain on fuel options of USD 16,296 thousand was added to fuel costs during the six-month period ended 30 June 2022. Comparative figures for the six-month period ended 30 June 2021 of USD 4,662 thousand have been reclassified from finance income to fuel costs accordingly.

On behalf of the Group's management:

Peter Foster	**Ibrahim Canliel**	**Saule Khassenova**
President	**Chief Financial Officer**	**Chief Accountant**
29 July 2022 Almaty, Republic of Kazakhstan	29 July 2022 Almaty, Republic of Kazakhstan	29 July 2022 Almaty, Republic of Kazakhstan

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

(in thousands of USD)

	Notes	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Profit for the period		**9,486**	**4,868**
Other comprehensive income to be reclassified into profit or loss in subsequent periods:			
Realised net loss from cash flow hedging instruments	24	5,999	5,843
Corporate income tax related to loss from hedging instruments	24	(1,200)	(1,169)
Other comprehensive income for the period, net of income tax		**4,799**	**4,674**
Total comprehensive income for the period		**14,285**	**9,542**

The notes on pages 9-35 form an integral part of this condensed consolidated interim financial information.

JOINT STOCK COMPANY AIR ASTANA

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 (UNAUDITED)
(in thousands of USD)

	Notes	30 June 2022 (unaudited)	31 December 2021
ASSETS			
Non-current assets			
Property and equipment	10	702,850	722,200
Intangible assets		1,422	1,528
Prepayments for non-current assets	14	20,939	16,299
Guarantee deposits	12	23,018	17,974
Trade and other receivables	15	2,182	3,611
Deferred tax asset	9	4,818	2,711
		755,229	**764,323**
Current assets			
Inventories	13	49,164	51,555
Prepayments	14	13,313	26,534
Income tax prepaid		-	2,630
Trade and other receivables	15	34,371	14,134
Other taxes prepaid	16	8,240	7,709
Guarantee deposits	12	7,824	1,568
Cash and bank balances	17	255,901	226,357
Other financial assets	18	13,662	7,383
		382,475	**337,870**
Total assets		**1,137,704**	**1,102,193**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	17,000	17,000
Functional currency transition reserve		(9,324)	(9,324)
Reserve on hedging instruments, net of tax		(30,479)	(35,278)
Retained earnings		101,062	91,576
Total equity		**78,259**	**63,974**
Non-current liabilities			
Loans	23	12,576	4,759
Lease liabilities	24	534,586	580,539
Provision for aircraft maintenance	21	82,177	86,456
Other non-current liabilities		933	1,625
		630,272	**673,379**
Current liabilities			
Loans	23	20,494	57,527
Lease liabilities	24	158,206	146,354
Deferred revenue	20	111,641	57,260
Provision for aircraft maintenance	21	62,716	40,710
Income tax payable		1,542	-
Trade and other payables	22	74,574	62,989
		429,173	**364,840**
Total liabilities		**1,059,445**	**1,038,219**
Total equity and liabilities		**1,137,704**	**1,102,193**

The notes on pages 9-35 form an integral part of this condensed consolidated interim financial information.

JOINT STOCK COMPANY AIR ASTANA

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

(in thousands of USD)

	Share capital	Functional currency translation reserve	Reserve on hedging instruments	Retained earnings	Total equity
At 1 January 2021	**17,000**	**(9,324)**	**(44,686)**	**55,417**	**18,407**
Profit for the period (unaudited)	-	-	-	4,868	4,868
Other comprehensive income: Realised loss on cash flow hedging instruments, net of tax (unaudited)	-	-	4,674	-	4,674
Total comprehensive income for the period (unaudited)	**-**	**-**	**4,674**	**4,868**	**9,542**
At 30 June 2021 (unaudited)	**17,000**	**(9,324)**	**(40,012)**	**60,285**	**27,949**
At 1 January 2022	**17,000**	**(9,324)**	**(35,278)**	**91,576**	**63,974**
Profit for the period (unaudited)	-	-	-	9,486	9,486
Other comprehensive income: Realised loss on cash flow hedging instruments, net of tax (unaudited)	-	-	4,799	-	4,799
Total comprehensive income for the period (unaudited)	**-**	**-**	**4,799**	**9,486**	**14,285**
At 30 June 2022 (unaudited)	**17,000**	**(9,324)**	**(30,479)**	**101,062**	**78,259**

The notes on pages 9-35 form an integral part of this condensed consolidated interim financial information.

(in thousands of USD)

	Notes	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
OPERATING ACTIVITIES:			
Profit before tax		**13,358**	**5,982**
Adjustments for:			
Depreciation and amortisation of property and equipment and intangible assets	11	64,939	57,923
Gain on sale of property, equipment and inventory	6	(691)	(838)
Change in impairment allowance for prepayments, trade receivables, guarantee deposits and cash and bank balances	8	(46)	(296)
Change in write-down of obsolete and slow-moving inventories	13	3,051	(152)
Change in vacation accrual	22	(206)	316
Change in provision for aircraft maintenance	7, 21	30,676	23,224
Change in customer loyalty program provision	20	(128)	(1,336)
Foreign exchange loss, net		8,497	5,372
Finance income, excluding impairment	8	(1,326)	(490)
Finance costs, excluding impairment	8	19,637	25,799
Effect of COVID-19 related rent concessions	7	-	881
Gain from early return of engine	24	-	(490)
Operating cash flow before movements in working capital		**137,761**	**115,895**
Change in trade and other accounts receivables		(20,495)	(6,915)
Change in prepayments		12,064	5,002
Change in inventories		112	(2,917)
Change in trade and other payables and provision of aircraft maintenance		459	7,872
Change in deferred revenue		54,509	28,637
Change in other financial assets		(6,279)	(7,623)
Cash generated from operations		**178,131**	**139,951**
Income tax paid		(3,439)	(801)
Interest received		1,326	477
Net cash generated from operating activities		**176,018**	**139,627**
INVESTING ACTIVITIES:			
Purchase of property and equipment		(14,068)	(19,270)
Proceeds from disposal of property, plant and equipment		585	1,713
Purchase of intangible assets		(224)	(67)
Bank and Guarantee deposits placed		(16,421)	(1,518)
Bank and Guarantee deposits withdrawn		5,137	5,314
Net cash used in investing activities		**(24,991)**	**(13,828)**

The notes on pages 9-35 form an integral part of this condensed consolidated interim financial information.

(in thousands of USD)

	Notes	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
FINANCING ACTIVITIES:			
Repayment of lease liabilities	24	(70,761)	(39,521)
Interest paid	24	(19,669)	(28,417)
Repayment of borrowings and additional financing from sale and leaseback	24	(83,453)	(28,181)
Proceeds from borrowings	24	52,705	-
Net cash used in financing activities		**(121,178)**	**(96,119)**
NET INCREASE IN CASH AND BANK BALANCES		**29,849**	**29,680**
Effect of exchange rate changes on cash and bank balances held in foreign currencies		(303)	(621)
Effects of movements in ECL on cash and bank balances		(2)	(5)
CASH AND BANK BALANCES, at the beginning of the period	17	**226,357**	**201,354**
CASH AND BANK BALANCES, at the end of the period	17	**255,901**	**230,408**

The notes on pages 9-35 form an integral part of this condensed consolidated interim financial information.

1. NATURE OF ACTIVITIES

JSC Air Astana (the "Company") is a joint stock company as defined in the Civil Code of the Republic of Kazakhstan.

The Company was established as a closed joint stock company on 14 September 2001 by Resolution of the Government of the Republic of Kazakhstan # 1118 dated 29 August 2001. Due to a change in legislation introduced in 2003, the Company was re-registered as a joint stock Group on 27 May 2005.

The Company has a subsidiary JSC «Aviation Company «Air Kazakhstan» (hereinafter – the "Subsidiary") which was acquired in November 2019. Together they are referred to as the "Group".

In November 2019 the Company obtained control of the Subsidiary by acquiring one hundred percent of the shares, which are 101,665 shares, and voting interests for KZT 2. At the time of the acquisition the Subsidiary had negative net assets of KZT 7 thousand (USD 18). Taking control of the Subsidiary will enable the Group to separate part of its business in the future. The Subsidiary did not operate during 2021 and 2022.

The Group's principal activity is the provision of scheduled domestic and international air services for passengers. Other business activities include freight and mail transportation.

The Group operated its maiden flight on 15 May 2002, a Boeing-737 service from Almaty to Kazakhstan's national capital, Nur-Sultan (Astana at the time). As at 30 June 2022 and 31 December 2021, the Group operated 38 and 36 turbojet aircraft that are acquired under lease.

The Company re-registered its office in 2010 from Nur-Sultan (Astana at the time), Kazakhstan to Zakarpatskaya street 4A, Almaty, Kazakhstan as the Company's main airport of operations is Almaty International Airport.

The shareholders of the Group are JSC "National Welfare Fund "Samruk-Kazyna" (which holds the investment on behalf of the Government of the Republic of Kazakhstan) and BAE Systems Kazakhstan Limited, which own 51% and 49% of the shares of the Group, respectively.

Impact of COVID-19

The COVID-19 pandemic, which started in the first quarter 2020, had a significant impact on the aviation industry. However, vaccination and strong restrictions all over the world decreased effect of the pandemic. As of June 2022 travel restrictions related to COVID-19 were abolished in Kazakhstan, for most of the international routes. The ongoing impact of COVID-19 during the first half of 2022 was minimal.

In spite of the reduced impact of the pandemic, the Group continues to prioritise health & safety of its customers and employees across all touchpoints of its operations and concentrated on financial liquidity to ensure that it is well positioned for recovery. Actions under these priorities include:

- Protecting the health and safety of employees and customers;
- Encouraging vaccination amongst employees;
- Cleaning procedures on all flights, including disinfectant electrostatic spraying on aircraft and sanitizing high-touch areas before each flight;
- Taking steps to help employees and customers practice social distancing and stay safe, including recommend employees and customers to wear masks.

The Company was granted the Diamond status by The Airline Passenger Expert Association for implementing COVID-prevention measures across the customer journey. The Company also received 5-star COVID-19 Safety Rating by Skytrax as a result of Skytrax COVID-19 Airline Safety Audit of the Group.

Regional geopolitical conflicts

Following the conflict between Russia and Ukraine at the end of February 2022, the Group (under both Air Astana and FlyArystan brands) suspended flights to and over Russia and Ukraine.

In 2021, the respective revenue shares of the Group on routes to Russia and Ukraine were at 8% and 2% respectively. The Group has rearranged its schedule by reallocating vacant capacity from suspended routes to other destinations. Due to its geographical location the impact of those events on the Group is limited. The Group does not expect any further negative effects on its operations.

Going concern

The Group's cash position remains strong. As of 30 June 2022 the Group's cash and cash equivalents increased by USD 29,544 thousand compared to 31 December 2021, whereas the Group had significantly repaid its bank loans in the amount of USD 83,272 thousand. As at 30 June 2022, the Group's net current liabilities were USD 46,698 thousand.

As part of the Company's consideration of the appropriateness of adopting the going concern assumption in preparing the interim financial information, a range of scenarios has been reviewed. The assumptions modelled are based on the estimated impact of potential COVID-19 restrictions, geopolitical tensions and tense situation in the world, along with the Group's proposed responses over the course of the next 12 months. These include a range of estimated impacts primarily based on the length of time various levels of restrictions are in place and the severity of the consequent impact of those restrictions on the demand for the Group's services. Management has sensitised the revenue, profit and cash flow impact of reduced trading activity and a negative impact of changes. Based on the prudent scenario the Group has enough net cash flows to operate and meet its obligations.

With regard to a possible new COVID-19 wave, management believes that its impact would not be as significant as the impact of the first wave in March-April 2020. Whereas increase in price of jet fuel has negative effect on the Group's profitability, the Group's strong fuel hedge positions smoothens the adverse effect. The Group also included in the forecast the effect of the scenario of the continuation of the Russia-Ukraine conflict.

Accordingly, management has concluded that there is no material uncertainty regarding the Group's ability to continue as a going concern and management considered it appropriate for the going concern assumption to be adopted in preparing the condensed consolidated interim financial information.

2. BASIS OF PREPARATION

Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2021. This condensed consolidated interim financial information should be read in conjunction with those financial statements. This condensed consolidated interim financial information does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

Segmental Information

There are two main operating segments of the Group, full service airline Air Astana and low cost airline FlyArystan; these segments include information for the determination of performance evaluation and allocation of resources by the management. The Group management uses the operating profit calculated according to IFRS while evaluating the performance of the segments adjusted for the impact of inter-segment leases and other internal billings.

Functional currency

Even though the national currency of Kazakhstan is the Kazakhstani tenge ("tenge"), the Company's functional currency is determined as the US Dollar ("USD"). The USD reflects the economic substance of the underlying events and circumstances of the Company and is the functional currency of the primary economic environment in which the Company operates. All currencies other than the currency selected for measuring items in the condensed consolidated interim financial information are treated as foreign currencies. Accordingly, transactions and balances not already measured in USD have been premeasured in USD in accordance with the relevant accounting standard requirements.

As requested by shareholders, the Group prepares two sets of financial statements with presentation currency Kazakhstani tenge and USD as shareholders believe that both currencies are useful for the users of the Group's financial statements. This condensed consolidated interim financial information for the six-month period ended 30 June 2022 has been presented in USD. All financial information presented in USD has been rounded to the nearest thousand.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in this condensed consolidated interim financial information are the same as those applied in the last annual financial statements.

New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing this condensed consolidated interim financial information.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- *Reference to Conceptual Framework (Amendments to* IFRS 3*);*
- *Classification of Liabilities as Current or Non-current (Amendments to* IAS 1*);*
- IFRS 17 *Insurance Contracts and amendments to* IFRS 17 *Insurance Contracts;*
- *Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;*
- *Definition of Accounting Estimate – Amendments to IAS 8;*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12;*
- *Onerous contracts – Cost of Fulfilling a Contract (Amendments to* IAS 37*); and*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to* IAS 16*).*

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that were applied to the Group's annual financial statements for 2021 prepared in accordance with IFRS.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and the information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 1 –Going concern assumptions;
- Note 9 – Income tax expense.

5. SEGMENT REPORTING

The Group's management makes decisions regarding resource allocation to segments based upon the results and the activities of its full service airline Air Astana and Low Cost Carrier FlyArystan segments for the purpose of segments' performance evaluation. The Group's main activities can be summarized as follows:

Air Astana

The Group's aviation activities consist of mainly domestic and international passenger and cargo air transportation as a full service airline.

FlyArystan

The Group's aviation activities consist of mainly domestic and international passenger and cargo air transportation as a low cost airline.

The Group does not recognize right-of-use assets for the FlyArystan segment, as it does not analyze the financial position of the segments separately. Instead, the Group recognizes lease payments which FlyArystan would have to pay to lease an aircraft over a similar term and in a similar economic environment as for Air Astana leases. Those amounts are reflected in the inter-group elimination.

Operating results for the six-month period ended 30 June 2022 and 30 June 2021:

’000 USD Profit and loss statement	Six-month period ended 30 June 2022 (unaudited) Air Astana	Six-month period ended 30 June 2022 (unaudited) FlyArystan	Inter-group elimination	Total
Revenue and other income				
Passenger revenue	312,450	84,693	-	397,143
Cargo and mail revenue	8,562	593	-	9,155
Other income	3,209	154	-	3,363
Lease	28,881	-	(28,881)	-
Total revenue and other income	**353,102**	**85,440**	**(28,881)**	**409,661**
Operating expenses				
Fuel and oil costs	(62,769)	(20,835)	-	(83,604)
Depreciation and amortization	(63,947)	(992)	-	(64,939)
Employee costs	(43,458)	(12,025)	-	(55,483)
Engineering and maintenance	(46,064)	(14,770)	11,285	(49,549)
Handling, landing fees and route charges	(29,033)	(8,223)	-	(37,256)
Passenger service	(29,810)	(4,832)	-	(34,642)
Selling costs	(13,586)	(921)	-	(14,507)
Aircraft crew costs	(7,148)	(1,306)	-	(8,454)
IT and communication costs	(2,154)	(728)	-	(2,882)
Insurance	(1,627)	(1,087)	-	(2,714)
Aircraft lease costs	(2,383)	(17,704)	17,596	(2,491)
Consultancy, legal and professional services	(2,036)	(36)	-	(2,072)
Property lease cost	(1,162)	(60)	-	(1,222)
Other operating costs	(9,435)	(291)	-	(9,726)
Total operating costs	**(314,612)**	**(83,810)**	**28,881**	**(369,541)**
Operating profit/(loss)	**38,490**	**1,630**	**-**	**40,120**

'000 USD Profit and loss statement	Six-month period ended 30 June 2021 (unaudited) Air Astana	Six-month period ended 30 June 2021 (unaudited) FlyArystan	Inter-group elimination	Total
Revenue and other income				
Passenger revenue	234,707	57,670	-	292,377
Cargo and mail revenue	17,998	713	-	18,711
Other income	2,892	348	-	3,240
Lease	24,310	-	(24,310)	-
Total revenue and other income	**279,907**	**58,731**	**(24,310)**	**314,328**
Operating expenses				
Fuel and oil costs	(35,328)	(14,242)	-	(49,570)
Depreciation and amortization	(57,486)	(437)	-	(57,923)
Employee costs	(35,936)	(7,828)	-	(43,764)
Engineering and maintenance	(35,649)	(12,886)	9,806	(38,729)
Handling, landing fees and route charges	(23,979)	(5,642)	-	(29,621)
Passenger service	(22,447)	(4,380)	-	(26,827)
Selling costs	(10,582)	(958)	-	(11,540)
Aircraft crew costs	(3,832)	(935)	-	(4,767)
IT and communication costs	(1,795)	(220)	-	(2,015)
Insurance	(2,781)	(689)	-	(3,470)
Aircraft lease costs	(2,088)	(14,578)	14,504	(2,162)
Consultancy, legal and professional services	(1,416)	(19)	-	(1,435)
Property lease cost	(1,285)	(32)	-	(1,317)
Other operating costs	(4,428)	(252)	-	(4,680)
Total operating costs	**(239,032)**	**(63,098)**	**24,310**	**(277,820)**
Operating profit/(loss)	**40,875**	**(4,367)**	**-**	**36,508**

6. REVENUE AND OTHER INCOME

Passenger revenue	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Scheduled passenger flights	371,820	269,003
including:		
Fuel surcharge	*36,224*	*24,081*
Airport services	*19,440*	*12,659*
Excess baggage	*2,868*	*2,293*
Charter flights	25,323	23,374
	397,143	**292,377**

Passenger revenue increased by USD 104,766 thousand, or 36%, for the period ended 30 June 2022 as compared to the same period in 2021.

Cargo and mail revenue	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Cargo-Regular	7,534	5,622
Cargo-Charter	874	12,319
Mail	747	770
	9,155	**18,711**

Other income	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Other income	1,562	1,558
Gain on disposal of spare parts and other assets	691	838
Income from ground services	660	542
Advertising revenue	378	216
Penalties on agency contracts	69	-
Other	3	86
	3,363	**3,240**

During the six-months periods ended 30 June 2022 and 30 June 2021, passenger, cargo and mail revenue, representing total revenue from contracts with customers, were generated from the following destinations:

	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Domestic	153,421	131,612
Europe	102,714	44,324
Asia and Middle East	95,425	74,515
CIS	54,738	60,637
Total passenger, cargo and mail revenue	**406,298**	**311,088**

7. OPERATING EXPENSES

Employee costs	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Wages and salaries of operational personnel	36,484	29,155
Wages and salaries of administrative personnel	7,986	6,795
Wages and salaries of sales personnel	2,819	2,251
Social tax	4,931	3,465
Other	3,263	2,098
	55,483	**43,764**

The average number of employees during the six-month period ended 30 June 2022 was 5,600 (30 June 2021: 5,373).

Engineering and maintenance	**Six-month period ended 30 June 2022 (unaudited)**	**Six-month period ended 30 June 2021 (unaudited)**
Maintenance – provisions (Note 21)	30,676	23,224
Spare parts	6,486	4,498
Maintenance – components	5,110	1,808
Maintenance – variable lease payments	5,867	7,883
Technical inspection	1,410	1,316
	49,549	**38,729**

Handling, landing fees and route charges	**Six-month period ended 30 June 2022 (unaudited)**	**Six-month period ended 30 June 2021 (unaudited)**
Handling charge	15,530	12,518
Aero navigation	12,960	9,096
Landing fees	7,992	7,295
Meteorological services	77	82
Other	697	630
	37,256	**29,621**

Passenger service	**Six-month period ended 30 June 2022 (unaudited)**	**Six-month period ended 30 June 2021 (unaudited)**
Airport charges	16,782	12,560
Catering	9,419	6,860
In-flight entertainment	2,584	2,192
Security	1,675	1,113
Other	4,182	4,102
	34,642	**26,827**

Selling costs	**Six-month period ended 30 June 2022 (unaudited)**	**Six-month period ended 30 June 2021 (unaudited)**
Reservation costs	9,151	7,670
Commissions	2,798	1,023
Advertising	2,273	1,860
Interline commissions	123	88
Other	162	899
	14,507	**11,540**

Aircraft crew costs	**Six-month period ended 30 June 2022 (unaudited)**	**Six-month period ended 30 June 2021 (unaudited)**
Accommodation and allowances	5,576	3,213
Training	2,878	1,539
Contract crew	-	15
	8,454	**4,767**

Aircraft lease costs	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Leased engine on wing costs	1,418	324
Lease of engines and rotable spare parts	902	665
Variable lease charges	171	164
Effect of COVID-19 related concessions (Note 24)	-	881
Lease return costs	-	128
	2,491	**2,162**

8. FINANCE INCOME AND COSTS

Finance income	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Interest income on bank deposits	1,326	471
Reversal of impairment allowance on financial assets	132	160
Other	-	19
	1,458	**650**

Finance costs	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Interest expense on lease liabilities (Note 24)	16,778	18,974
Interest expense on bank loans (Note 24)	2,822	6,756
Accrual of impairment allowance on financial assets	86	5
Other	37	69
	19,723	**25,804**

9. INCOME TAX EXPENSE

The Group's income tax expense for the six-month period ended 30 June was as follows:

	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Current income tax		
Current income tax	(7,179)	-
Adjustment recognised in the current year in relation to the current tax of prior years	-	5
	(7,179)	**5**
Deferred tax		
Deferred income tax benefit/(expense)	3,145	(1,119)
Recognition of previously unrecognised tax losses	162	-
	3,307	**(1,119)**
	(3,872)	**(1,114)**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In addition, as the Company has a functional currency that is different from the currency of the country in which it is domiciled, it recognises temporary differences on changes in exchange rates which lead to changes in the tax basis rather than the book basis.

The tax effect on the major temporary differences that give rise to the deferred income tax assets and liabilities as at 30 June 2022 and 31 December 2021 is presented below.

Deferred tax assets	**30 June 2022 (unaudited)**	**31 December 2021**
Lease liabilities	104,500	106,091
Provision for aircraft maintenance	28,979	25,433
Trade and other payables	2,984	5,482
Trade receivables	4,007	2,285
Tax loss carried forward	-	1,381
Other	939	355
Total	**141,409**	**141,027**
Deferred tax liabilities		
Right of use assets	(94,839)	(97,434)
Property and equipment and intangible assets	(35,156)	(36,043)
Inventories	(2,944)	(2,182)
Prepaid expenses	(1,223)	(1,091)
Other	(2,429)	(1,566)
Total	**(136,591)**	**(138,316)**
Net deferred tax assets	**4,818**	**2,711**

Movements in deferred tax assets and liabilities presented above were recorded in profit or loss accounts, except for USD 1,200 thousand related to carried forward corporate income tax losses, which were recognised in equity relating to the realised portion of deferred tax on cash flows hedge. (six-month ended 2021: USD 1,169 thousand).

In accordance with the local tax legislation both hedged and unhedged foreign currency losses are treated as deductible expenses for the purpose of corporate income tax calculations. If such deductible expenses cannot be fully utilised in the year of origination the tax code permits an entity to carry forward the accumulated tax losses for the next ten years.

In accordance with the local tax legislation, if deductible expenses from derivative instruments cannot be fully utilized in the year of origination, the tax code permits an entity to carry forward the accumulated tax losses for the next ten years. In previous years, the probability of gain from derivative instruments was low and no deferred asset was recognized for tax losses from derivative instruments. During 2021 and the six-months period ended 30 June 2022 the Group earned a gain from derivative instruments and utilized tax losses accumulated in prior years.

The income tax rate in the Republic of Kazakhstan, where the Group is located, at 30 June 2022 and 31 December 2021 was 20%. The taxation charge for the year is different from that which would be obtained by applying the statutory income tax rate to profit or loss before income tax.

Below is a reconciliation of theoretical income tax at 20% (2021: 20%) to the actual income tax benefit recorded in the Group's condensed consolidated interim statement of profit or loss:

	Six-month period ended 30 June 2022 (unaudited)	**Six-month period ended 30 June 2021 (unaudited)**
Profit before tax	**13,358**	**5,982**
Corporate income tax %	20%	20%
Income tax expense at statutory rate	(2,672)	(1,196)
Recognition of previously unrecognised tax losses	162	1,389
USD forex effect	(906)	(748)
Tax effect of non-deductible expenses	(456)	(559)
Income tax expense	**(3,872)**	**(1,114)**

10. PROPERTY AND EQUIPMENT

	Rotable spare parts	Office equipment and furniture	Building, premises and land	Vehicles	Leased aircraft	Equipment-in-transit and construction-in-progress	Total
Cost							
At 1 January 2021	**77,536**	**9,011**	**33,800**	**2,940**	**976,141**	**382**	**1,099,810**
Additions (unaudited)	4,759	232	1,682	36	58,654	216	65,579
Disposals (unaudited)	(7,451)	(180)	-	(167)	(11,722)	-	(19,520)
Transfers from inventory (unaudited)	309	-	-	-	-	-	309
Transfers to inventory (unaudited)	(44)	-	-	-	-	-	(44)
Transfers (unaudited)	(573)	-	-	-	757	(184)	-
At 30 June 2021 (unaudited)	**74,536**	**9,063**	**35,482**	**2,809**	**1,023,830**	**414**	**1,146,134**
At 1 January 2022	**79,514**	**9,107**	**38,049**	**2,781**	**1,083,420**	**184**	**1,213,055**
Additions (unaudited)	3,083	678	32	84	41,701	349	45,927
Disposals (unaudited)	(6,085)	(81)	-	(42)	(3,127)	-	(9,335)
Transfers to inventory (unaudited)	(2)	-	-	-	-	-	(2)
At 30 June 2022 (unaudited)	**76,510**	**9,704**	**38,081**	**2,823**	**1,121,994**	**533**	**1,249,645**
Accumulated depreciation and impairment							
At 1 January 2021	**36,312**	**6,346**	**7,501**	**1,513**	**343,026**	**-**	**394,698**
Charge for the period (unaudited) (Note 11)	4,317	422	1,590	100	51,131	-	57,560
Disposals (unaudited)	(5,991)	(135)	-	(148)	(11,547)	-	(17,821)
At 30 June 2021 (unaudited)	**34,638**	**6,633**	**9,091**	**1,465**	**382,610**	**-**	**434,437**
At 1 January 2022	**36,722**	**6,861**	**10,444**	**1,505**	**435,323**	**-**	**490,855**
Charge for the period (unaudited) (Note 11)	4,021	419	1,760	92	58,317	-	64,609
Disposals (unaudited)	(5,434)	(77)	-	(31)	(3,127)	-	(8,669)
At 30 June 2022 (unaudited)	**35,309**	**7,203**	**12,204**	**1,566**	**490,513**	**-**	**546,795**
Net book value							
At 30 June 2021 (unaudited)	**39,898**	**2,430**	**26,391**	**1,344**	**641,220**	**414**	**711,697**
At 30 June 2022 (unaudited)	**41,201**	**2,501**	**25,877**	**1,257**	**631,481**	**533**	**702,850**

In determining the Group's geographical information, assets, which consist principally of aircraft and ground equipment are mainly registered in the Republic of Kazakhstan. Accordingly, there is no reasonable basis for allocating the assets to geographical segments.

The Group's obligations under leases are secured by the leased assets which have a carrying amount of USD 631,481 thousand (unaudited) (2021: USD 641,220 thousand) (Note 24). The total amount of Aircraft Under Lease as at 30 June 2022 includes 11 Airbus aircraft related to the FlyArystan division with a net book value of USD 112,607 thousand (2021: 10 Airbus aircraft with a net book value of USD 124,931 thousand).

As per the loan agreement with JSC Halyk Bank of Kazakhstan the Technical Center (Hangar) in Nur-Sultan with a carrying amount of USD 18,946 thousand was pledged in favor of JSC Halyk Bank of Kazakhstan on 5 May 2021 (Note 23). In 2022 the land plot, where the above-mentioned Aviation-Technical Center is located, was divided into two separate parts. A new separated land plot, where the Company plans to allocate the Flight Simulation Equipment, is planned to be pledged to the European Bank for Reconstruction and Development (EBRD). The main land plot where Aviation Technical Center is located will remain pledged in JSC Halyk Bank of Kazakhstan.

Rotable spare parts include aircraft modification costs.

11. DEPRECIATION AND AMORTISATION

	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Depreciation of property, plant and equipment (Note 10)	64,609	57,560
Amortisation of intangible assets	330	363
Total	**64,939**	**57,923**

12. GUARANTEE DEPOSITS

	30 June 2022 (unaudited)	31 December 2021
Non-current		
Guarantee deposits for leased aircraft	22,891	17,549
Other guarantee deposits	479	828
Impairment allowances	(352)	(403)
	23,018	**17,974**
Current		
Guarantee deposits to secure Letters of Credit for maintenance liabilities	5,258	-
Other guarantee deposits	1,413	1,450
Guarantee deposits for leased aircraft	1,160	124
Impairment allowances	(7)	(6)
	7,824	**1,568**
	30,842	**19,542**

Guarantee deposits for leased aircraft comprise security deposits required by the lease agreements as security for future lease payments to be made by the Group. Guarantee deposits are denominated primarily in US Dollars. The Group assesses credit risk for such deposits as low mainly because almost all lessors are rated from AA to BBB in accordance with Standard and Poor's Global Ratings (S&P Global Ratings) credit quality grades. For those lessors who are not credit rated by international rating agencies, the management calculates the expected credit loss based on the assumption that such lessors are rated at CCC by S&P Global Ratings.

Guarantee deposits for leased aircraft and maintenance liabilities are receivable as follows:

	30 June 2022 (unaudited)	**31 December 2021**
Within one year	6,418	124
After one year but not more than five years	8,841	6,305
More than five years	14,094	11,288
	29,353	**17,717**
Fair value adjustment	(44)	(44)
	29,309	**17,673**

13. INVENTORIES

	30 June 2022 (unaudited)	**31 December 2021**
Spare parts	36,583	34,258
Fuel	7,027	7,112
Crockery	3,499	3,902
Goods in transit	1,247	2,530
Uniforms	1,061	1,049
Promotional materials	883	1,470
De-icing liquid	655	827
Blank forms	342	282
Other	2,486	1,693
	53,783	**53,123**
Less: cumulative write-down for obsolete and slow-moving inventories	(4,619)	(1,568)
	49,164	**51,555**

14. PREPAYMENTS

	30 June 2022 (unaudited)	**31 December 2021**
Non-current		
Prepayments for long-term assets	13,006	8,993
Advances for services	7,933	7,306
	20,939	**16,299**
Current		
Advances for services	9,452	12,594
Advances for goods	4,313	13,288
Prepayments of leases without transfer of legal title	40	1,147
	13,805	**27,029**
Less: impairment allowance for prepayments	(492)	(495)
	13,313	**26,534**

As at 30 June 2022 non-current prepayments include prepayments to Boeing as pre-delivery payment for the remaining three aircraft (Note 26), and prepayments for the flight simulator (Note 26).

The impairment allowance includes advance payments made by the Group to suppliers which are currently subject to legal claims for recovery due to the suppliers' inability to complete the transactions.

15. TRADE AND OTHER RECEIVABLES

	30 June 2022 (unaudited)	31 December 2021
Non-current		
Due from employees and Ab-initio pilot trainees	2,182	3,123
Other financial assets	46,000	47,092
	48,182	**50,215**
Less: impairment allowance	(46,000)	(46,604)
	2,182	**3,611**
Current		
Trade receivables	34,189	14,906
Due from employees and Ab-initio pilot trainees	1,101	993
Receivable from lessors – variable lease reimbursement	882	170
	36,172	**16,069**
Less: impairment allowance	(1,801)	(1,935)
	34,371	**14,134**

The movements in impairment allowance on trade and other receivables for the periods six-months ended 30 June 2022 and 30 June 2021 were:

	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
At the beginning of the period	**(48,539)**	**(49,634)**
Accrued during the period	(686)	(33)
Reversed during the period	677	149
Foreign currency difference	747	223
At the end of the period	**(47,801)**	**(49,295)**

In 2017, due to the defaults of JSC KazInvestBank and JSC Delta Bank, the management reclassified the deposits held with these banks in the amount USD 14,234 thousand and USD 44,785 thousand, respectively, from the bank deposit line item to non-current trade and other receivables and assessed them for impairment. Based on the assessment, management recognised an impairment allowance of approximately 90% for JSC KazInvestBank and JSC Delta Bank as at 31 December 2016.

As at 30 June 2022 the allowance for those banks comprises 100% of their gross balances.

Receivable from lessors represents the amount of variable lease reimbursement claimed by the Group as a result of maintenance performed that occurred prior to the reporting date.

Amounts due from trainees of the Ab-initio pilot program in respect of a portion of their initial training costs are classified as interest free loans. The remaining costs are classified by the Group as a prepayment of its expenses and are amortised over a period of fifteen years, during which period the Group has a right to oblige these expenses also to become payable by the pilot trainees should such pilot trainee terminate his/her employment. The alumni of the Ab-initio pilot program can either repay the remaining training cost by cash or defer for the future so that this amount becomes payable only if they leave the Group. Amounts due from those cadets who opted to defer the payments and stay with the Company were reclassified to deferred expenses and are amortized using the straight-line method over the remaining amortization term.

The Group's net trade and other receivables are denominated in the following currencies:

	30 June 2022 (unaudited)	31 December 2021
Tenge	23,831	12,334
US Dollar	4,646	2,453
Euro	2,585	756
Russian Rouble	17	401
Other	5,474	1,801
	36,553	**17,745**

16. OTHER TAXES PREPAID

	30 June 2022 (unaudited)	31 December 2021
Value-added tax recoverable	8,193	7,590
Other taxes prepaid	47	119
	8,240	**7,709**

Value-added tax receivable is recognised within current assets as the Group annually applies for reimbursement of these amounts, which is usually successful.

17. CASH AND BANK BALANCES

	30 June 2022 (unaudited)	31 December 2021
Current accounts with banks	140,860	144,660
Term deposits with an initial maturity of less than 3 months	114,849	81,595
Cash in hand	153	107
Accrued interest	49	3
	255,911	**226,365**
Impairment allowance	(10)	(8)
	255,901	**226,357**

At 30 June 2022, current accounts with banks in tenge earn interest in the range of 5% to 7% per annum (31 December 2021: 5% to 7% per annum), in USD in the range of 1.60% to 1.85% per annum (31 December 2021: 0.15% to 0.16%). As at 30 June 2022 short-term deposits with banks earn interest of up to 9% per annum for deposits in tenge and 2% for USD. (2021: up to 6% for KZT, up to 0.12% for USD).

Cash and bank balances are denominated in the following currencies:

	30 June 2022 (unaudited)	31 December 2021
US Dollar	218,678	217,119
Tenge	27,645	2,285
Indian Rupee	2,142	425
British Pound	2,063	2,712
Euro	1,872	1,652
Uzbek Som	944	266
Chinese Yuan	715	203
Russian Rouble	480	285
Other	1,362	1,410
	255,901	**226,357**

18. OTHER FINANCIAL ASSETS

The Company signed agreements and entered into transactions with various financial institutions to manage the risk of significant changes in aviation fuel prices. In accordance with the terms, the financial institutions agreed to compensate the Company the excess between the actual price of crude oil and the ceiling price specified in the agreements. The fair value has been determined using a valuation model with market observable parameters.

Gain on fuel options of USD 16,296 thousand was added to fuel costs during the six-month period ended 30 June 2022. Comparative figures for the six-month period ended 30 June 2021 of USD 4,662 thousand have been reclassified from finance income to fuel costs accordingly.

	Call option (purchase)
At 1 January 2021	**-**
Acquisition	3,650
Gain on financial assets and liabilities at fair value through profit or loss	4,662
Payments on exercised contracts	(689)
At 30 June 2021 (unaudited)	**7,623**
At 1 January 2022	**7,383**
Gain on financial assets and liabilities at fair value through profit or loss	16,296
Payments on exercised contracts	(10,017)
At 30 June 2022 (unaudited)	**13,662**

19. EQUITY

As at 30 June 2022 and 31 December 2021, share capital was comprised of 17,000 authorised, issued and fully paid ordinary shares with a par value of KZT 147,150 per share at the time of purchase. (Note 28).

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group.

In accordance with Kazakhstan legislation the Company's distributable reserves are limited to the balance of retained earnings as recorded in the Company's statutory financial statements prepared in accordance with IFRS. A distribution cannot be made when equity is negative or if distribution would result in negative equity or the Company's insolvency. As at 30 June 2022 the Company had retained earnings, including the profit for the current period, of USD 101,062 thousand (31 December 2021: USD 91,576 thousand), and total equity of USD 78,259 thousand (31 December 2021: USD 63,974 thousand).

No dividends were declared during the six months ended 30 June 2022 (no dividends were declared during the six months ended 30 June 2021).

The calculation of basic earnings per share is based on profit or loss for the period and the weighted average number of ordinary shares outstanding during the period of 17,000 shares (2021: 17,000). The Company has no instruments with potential dilutive effect.

	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Profit for the period	9,486	4,868
Number of ordinary shares	17,000	17,000
Profit per share – basic and diluted (USD)	**558**	**286**

20. DEFERRED REVENUE

	30 June 2022 (unaudited)	31 December 2021
Unearned transportation revenue	103,577	49,068
Customer loyalty program provision	8,064	8,192
	111,641	**57,260**

Unearned transportation revenue represents the value of sold but unused passenger tickets, the validity period of which has not expired excluding recognized passenger revenue in respect of the percentage of tickets sold that are expected not to be used or refunded.

Deferred revenue attributable to the customer loyalty program refers to the Group's Nomad Club program.

21. PROVISION FOR AIRCRAFT MAINTENANCE

	30 June 2022 (unaudited)	31 December 2021
Engines	112,316	98,667
D-Check	13,090	12,430
C-Check	5,335	3,588
Provision for redelivery of aircraft	4,243	3,936
Auxiliary Power unit	4,623	4,002
Landing gear	5,286	4,543
	144,893	**127,166**

The movements in the provision for aircraft maintenance were as follows for the six-month periods ended 30 June 2022 and 30 June 2021:

	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
At 1 January	**127,166**	**83,070**
Accrued during the period (Note 7)	31,800	23,333
Reversed during the period (Note 7)	(1,124)	(109)
Used during the period	(12,949)	(3,052)
	144,893	**103,242**

Under the terms of certain lease agreements without transfer of title for aircraft, the Group is obliged to carry out and pay for maintenance based on use of the aircraft and to return aircraft to the lessors in a satisfactory condition at the end of the lease term. The maintenance cost estimates used for calculating the provisions are stated in US Dollars.

The planned utilisation of these provisions is as follows:

	30 June 2022 (unaudited)	31 December 2021
Within one year	62,716	40,710
During the second year	12,847	37,809
During the third year	43,261	30,159
After the third year	26,069	18,488
Total provision for aircraft maintenance	**144,893**	**127,166**
Less: current portion	62,716	40,710
Non-current portion	**82,177**	**86,456**

Significant judgment is involved in determining the provision for aircraft maintenance. Management has engaged an independent specialist to assist in estimating the timing and cost of expected engine maintenance activities. The estimate by the independent specialist is prepared based on the current condition of aircraft, historical flight hours and cycles, expected future utilisation of the aircraft over the remaining life of the leases without transfer of title as well as requirements for returnable condition when the lease term is concluded.

The estimates are based on the following key assumptions:

- expected utilisation rate for flight hours and cycles is based on historical data and actual usage;
- market prices are used for services and parts;
- it is assumed that aircraft will be operated within standard norms and conditions; and
- and no provisions have been made for unscheduled maintenance.

22. TRADE AND OTHER PAYABLES

	30 June 2022 (unaudited)	31 December 2021
Trade payables	45,466	35,375
Advances received	14,516	5,424
Deposits received from agents	5,093	3,441
Due to employees	4,750	4,490
Taxes payable	1,910	740
Vacation pay accrual	1,191	1,397
Accrued bonuses	1,047	11,425
Pension contribution	510	580
Other	91	117
	74,574	**62,989**

The Group's trade and other payables are denominated in the following currencies:

	30 June 2022 (unaudited)	31 December 2021
US Dollar	33,645	16,361
Tenge	32,353	39,424
Euro	5,908	2,846
Russian rouble	174	312
GBP	593	519
Other	1,901	3,527
	74,574	**62,989**

23. LOANS

	30 June 2022 (unaudited)	31 December 2021
Non-current		
Bank loan	12,576	4,759
	12,576	**4,759**
Current		
Current portion of bank loan	20,383	57,320
Interest payable	111	207
	20,494	**57,527**

On 12 August 2019 the Group opened a Credit Line in JSC Halyk Bank of Kazakhstan for USD 40,000 thousand for 3 years, for the purpose of working capital financing. Later, during 2020 the credit line was increased up to USD 160,000 thousand and tenor extended until 10 September 2025. The loan with EBRD for the hangar and aviation technical centre in Nur-Sultan was fully refinanced with JSC Halyk Bank of Kazakhstan's credit facilities on 20 September 2020. The credit line in JSC Halyk Bank of Kazakhstan allows to take borrowings both in KZT and USD. The average interest rate for borrowings in USD is 4.5% per annum and 15.5% per annum for loans in KZT (mirroring current economic and financial situation in the country). During 2021 and the first half of 2022 the Group made repayments of the loan from JSC Halyk Bank of Kazakhstan ahead of schedule.

On 31 August 2021 the Company entered into a multi-currency Loan Agreement with EBRD for the total amount of USD 50,000 thousand. Uncommitted Tranche 2 in amount of USD 15,000 thousand is for the purpose of financing capital expenditures (flight simulation facility, which will be pledged to the EBRD) and Committed Tranche 1 in amount of USD 35,000 thousand is for working capital needs (COVID-19 package). In February and March 2022 the Company withdrew USD 5,000 thousand and USD 10,000 thousand, respectively for working capital needs. In April 2022 EBRD committed Tranche 2.

The Group's loans are denominated in the following currencies:

'000 USD	30 June 2022 (unaudited)	31 December 2021
US Dollar	26,049	31,196
Tenge	7,021	31,090
	33,070	**62,286**

24. LEASE LIABILITIES

For the years from 2012 to 2014 the Group acquired eleven aircraft under fixed interest lease agreements with transfer of title. The lease term for each aircraft is twelve years. The Group has an option to purchase each aircraft for a nominal amount at the end of the lease. Subsequently two of them were sold and leased back under operating lease, and one of them was returned to the lessor ahead of schedule.

Loans provided by financial institutions to the lessors in respect of six new Airbus aircraft which were delivered during 2012 and 2013 were guaranteed by European Export Credit Agencies while three Boeing 767 aircraft which were delivered in 2013 and 2014 were guaranteed by the US Export Import Bank.

The Group's obligations under leases are secured by the lessors' title to the leased assets. These assets have a carrying value of USD 631,481 thousand (2021: USD 641,220 thousand) (Note 10). The Group's leases are subject to certain covenants. These covenants impose restrictions in respect of certain transactions, including, but not limited to restrictions in respect of indebtedness.

Certain lease agreements include covenants as regards to change of ownership of the Group. These requirements have been met during the six-month period ended 30 June 2022.

	Minimum lease payments		**Present value of minimum lease payments**	
	30 June 2022 (unaudited)	**31 December 2021**	**30 June 2022 (unaudited)**	**31 December 2021**
Not later than one year	188,155	177,178	158,206	146,354
Later than one year and not later than five years	511,644	545,269	456,050	484,301
Later than five years	82,827	101,281	78,536	96,238
	782,626	**823,728**	**692,792**	**726,893**
Less: future finance charges	(89,834)	(96,835)	-	-
Present value of minimum lease payments	**692,792**	**726,893**	**692,792**	**726,893**
Included in the financial statements as:				
- current portion of lease obligations	-	-	158,206	146,354
- non-current portion of lease obligations	-	-	534,586	580,539
	-	**-**	**692,792**	**726,893**

The Group's lease obligations are mainly denominated in US Dollars.

Reconciliation of movements of loans and lease liabilities to cash flows arising from financing activities

	Loans (Note 23)	Lease liabilities	Total
Balance as at 1 January 2022	**62,286**	**726,893**	**789,179**
Changes from financing cash flows			
Repayment of borrowings	(83,272)	-	(83,272)
Proceed from borrowings	52,705	-	52,705
Repayment of lease liabilities	-	(70,761)	(70,761)
Interest paid	(3,019)	(16,650)	(19,669)
Repayment of additional financing	(181)	-	(181)
Total changes from financing cash flows	**(33,767)**	**(87,411)**	**(121,178)**
The effect of changes in foreign exchange rates	1,729	(312)	1,417
Other changes			
New leases	-	36,844	36,844
Interest expense (Note 8)	2,822	16,778	19,600
Total other changes	**2,822**	**53,622**	**56,444**
Balance at 30 June 2022	**33,070**	**692,792**	**725,862**

	Loans (Note 23)	Lease liabilities	Total
Balance as at 1 January 2021	**164,013**	**704,662**	**868,675**
Changes from financing cash flows			
Repayment of borrowings	(28,009)	-	(28,009)
Repayment of lease liabilities	-	(39,521)	(39,521)
Interest paid	(11,242)	(17,175)	(28,417)
Repayment of additional financing	(172)	-	(172)
Total changes from financing cash flows	**(39,423)**	**(56,696)**	**(96,119)**
The effect of changes in foreign exchange rates	(1,794)	(49)	(1,843)
Other changes			
New leases	-	44,252	44,252
Interest expense (Note 8)	6,756	18,974	25,730
Non-cash settlement due to netting with guarantee deposits	-	(5,297)	(5,297)
Effect of COVID-19 related concessions (Note 7)	-	881	881
Gain from early return of engine	-	(490)	(490)
Total other changes	**6,756**	**58,320**	**65,076**
Balance at 30 June 2021	**129,552**	**706,237**	**835,789**

On 1 July 2015 the Group designated a portion of its US dollar lease obligations as hedges of highly probable future US Dollar revenue streams. The Group applied the cash flow hedge accounting model to this hedging transaction, in accordance with IAS 39.

In connection with the transition of the functional currency to US Dollar, this hedge ceased to be economically effective from 31 December 2017. At 30 June 2022, a foreign currency loss of 38,099 USD thousand (31 December 2021: USD 44,098 thousand), before income tax of USD 7,620 thousand (31 December 2021: USD 8,820 thousand) on the lease liabilities with transfer of title, representing an effective portion of the hedge, is deferred in the hedging reserve within equity. As a result of the change, the hedge relationship has been discontinued so that starting from 1 January 2018 no further foreign currency translation gains or losses are transferred from profit or loss to the hedge reserve, and the hedge reserve recognised in equity as at 31 December 2017 is reclassified to profit or loss in line with the forecasted hedge recognition which is expected to happen annually until 2025.

During the first half of 2021 the amount reclassified from the hedging reserve to foreign exchange loss in the statement of other comprehensive income was USD 5,999 thousand (before income tax of USD 1,200 thousand) (six months ended 30 June 2021: USD 5,843 thousand (before income tax of USD 1,169 thousand).

25. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate, currency and commodity price risk arises in the normal course of the Group's business. The Group does not hedge its exposure to such risks, other than commodity price risk as discussed below.

Capital management

The Group manages its capital to ensure the Group will be able to continue as going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of net debt (comprising loans and lease obligations in Notes 23 and 24) and equity of the Group (comprising issued capital, functional currency transition reserve, reserve on hedging instruments and retained earnings as detailed in Note 19).

The Group is not subject to any externally imposed capital requirements.

The Group reviews the capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital. The Group does not have a target gearing ratio.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The maximum exposure to credit risk related to financial instruments, such as cash, guarantee deposits and accounts receivable, is calculated on basis of their book value.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

As at 30 June 2022 there was no significant concentration of credit risk in respect of trade accounts receivable (Note 15).

The Group uses reputable banks and has established a prudent cash investment policy which limits the credit risk related to bank accounts and deposits.

As a result of the increased credit risks on some of the banks, management reconsidered its cash management policy and the Group has reviewed the credit ratings of the main banks in Kazakhstan and placed its main amounts due from banks in banks with ratings of BB or higher. The Group updates its cash management policy on an annual basis.

As at 30 June 2022, the majority of current accounts with local banks are placed with top rated local Kazakhstan banks with a credit rating of BBB-, Fitch.

As at 30 June 2022 Management believes that there has been no significant increase in credit risk of major banks and debtors in comparison to the prior year end.

Interest rate risk

The Group is not exposed to significant interest rate risk because the Group mainly borrows funds at fixed interest rates.

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the US dollar. The currency giving rise to this risk is primarily the Tenge. For amounts of assets and liabilities denominated in foreign currencies refer to Notes 15, 17, 22 and 23.

The Group management believes that it has taken appropriate measures to support the sustainability of the Group business under the current circumstances in respect of foreign currency risk.

Foreign currency sensitivity analysis

The Group is mainly exposed to the risk of change of exchange rates of the USD against tenge.

The carrying value of the Group's monetary assets and liabilities in foreign currency as at the reporting date has been provided below. This disclosure excludes assets and liabilities denominated in other currencies as they do not have significant effect on the condensed consolidated interim financial information of the Group.

	Notes	30 June 2022 KZT (unaudited)	30 June 2022 EUR (unaudited)	31 December 2021 KZT	31 December 2021 EUR
Assets					
Other taxes prepaid	16	8,240	-	7,709	-
Trade and other receivables	15	23,831	2,585	12,334	756
Income tax prepaid		-	-	2,630	-
Cash and bank balances	17	27,645	1,872	2,285	1,652
Guarantee deposits		140	306	145	443
Total		**59,856**	**4,763**	**25,103**	**2,851**
Liabilities					
Trade and other payables	22	32,353	5,908	39,424	2,846
Income tax payable		1,542	-	-	-
Loans	23	7,021	-	31,090	-
Lease liabilities		3,713	-	4,427	-
Total		**44,629**	**5,908**	**74,941**	**2,846**
Net position		**15,227**	**(1,145)**	**(49,838)**	**5**

As at 30 June 2022 the following table details the Group's sensitivity of weakening of the US Dollar against the Tenge by 10% (31 December 2021: 10%) and Euro by 9% (31 December 2021: 9%) and strengthening of the US Dollar against the Tenge by 13% (31 December 2021: 13%) and Euro by 9% (31 December 2021: 9%).

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for above mentioned sensitivity ratios. The sensitivity analysis includes trade and other receivables, cash and bank balances, bank deposits, guarantee deposits, trade and other payables, financial assets and liabilities at fair value through profit or loss, loans and lease liabilities.

A negative number below indicates a decrease in profit or loss and positive number would be an increase on the profit or loss.

	Weakening of US Dollar		Strengthening of US Dollar	
	Tenge	Euro	Tenge	Euro
30 June 2022	**10%**	**9%**	**(13%)**	**(9%)**
Profit/(loss)	1,218	(82)	(1,584)	82

	Weakening of US Dollar		Strengthening of US Dollar	
	Tenge	Euro	Tenge	Euro
31 December 2021	**10%**	**9%**	**(13%)**	**(9%)**
(Loss)/Profit	(3,987)	-	5,183	-

The Group limits the currency risk by monitoring changes in exchange rates of foreign currencies in which trade and other receivables, cash and bank balances, bank deposits, guarantee deposits, trade and other payables, financial assets and liabilities at fair value through profit or loss, loans and lease liabilities are denominated.

Liquidity risk management

Liquidity risk is the risk that a Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Treasury Committee and the Board of Directors, which has built an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the following:

- the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay; and
- on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

Liquidity and interest risk tables

	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
30 June 2022 (unaudited)					
Financial assets					
Non interest bearing					
Trade and other receivables	34,190	181	1,411	771	36,553
Guarantee deposits	399	7,425	8,938	14,124	30,886
Cash and bank balances	255,901	-	-	-	255,901
Financial liabilities					
Non interest bearing					
Trade and other payables	70,714	1,950	933	-	73,597
Variable rate					
Loans	1,795	5,340	8,615	-	15,750
Fixed rate					
Loans	1,593	13,022	4,766	-	19,381
Lease liabilities	44,994	143,161	511,644	82,827	782,626

	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
31 December 2021					
Financial assets					
Non interest bearing					
Trade and other receivables	13,609	525	3,081	530	17,745
Guarantee deposits	582	986	6,802	11,216	19,586
Cash and bank balances	226,357	-	-	-	226,357
Financial liabilities					
Non interest bearing					
Trade and other payables (including employee benefits)	58,808	3,441	1,625	-	63,874
Fixed rate					
Loans	1,190	60,946	5,560	-	67,696
Lease liabilities	41,620	135,558	545,269	101,281	823,728

Fair values

Cash and bank balances

The carrying value of cash and bank balances approximates their fair value as they either have short-term maturity or are interest-bearing and hence are not discounted.

Financial instruments at fair value through profit or loss

The Company uses options to hedge the risk of jet fuel price movement. The Company uses standard market instruments for fuel hedging purposes, such as "call option" (where the premium is paid in advance by the Company to cover the risk of increases of commodity price above the predetermined level). Since there is no possibility to hedge the risk of changes in jet fuel prices purchased in domestic market, the Company hedges only the amount of fuel purchased outside the Republic of Kazakhstan by signing a general agreement with several international banks on the conclusion of derivative transactions. The management of the Company determines the volume of jet fuel that will be hedged before executing the deal. Hedging is carried out according to the Fuel hedging policy approved by the directors and shareholders of the Company.

The fair values (FV) of financial assets and financial liabilities of the Company are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Level 2 fair values for financial assets and liabilities at fair value through profit or loss have been generally derived using the fair value valuation reports provided by the banks which participate in hedging transactions. The most significant input into this valuation approach are time left to maturity of the deal, implied volatility for Brent Crude Oil, forward and spot prices of crude oil.

The Company has no other financial and non-financial instruments that are measured subsequently to initial recognition at fair value.

Guarantee Deposits

Guarantee Deposits are recognised at amortised cost. Management believes that their carrying amounts approximate their fair value.

Trade and other receivables and payables

For receivables and payables with a maturity of less than six months fair value is not materially different from the carrying amount because the effect of the time value of money is not material. Ab-initio receivables are recorded at fair value at initial recognition and subsequently measured at amortised cost. Management believes that their carrying amounts approximate their fair value.

Loans

Loans are recognised at amortised cost. Management believes that their carrying amounts approximate their fair values.

Fair values

Lease liabilities

Lease liabilities are initially recognised at the lower of the fair value of assets received under lease and the present value of minimum lease payments. Management believes that their fair values are lower than carrying amounts by approximately 4%.

Provisions

For provisions which meet the definition of financial liabilities the fair value is not materially different from the carrying amount because the effect of the time value of money is not material.

26. COMMITMENTS AND CONTINGENCIES

Capital commitments

In 2011 the Group finalized an agreement with Boeing to purchase three Boeing-787 aircraft. The Group is committed to pre-delivery payments in accordance with the agreed payment schedule.

The terms of the Group's contract with the above suppliers precludes it from disclosing information on the purchase cost of the aircraft.

Future commitments

Aircraft

Aircraft leases are for terms of between 2 to 8 years. All lease contracts contain market review clauses in the event that the Group exercises its option to renew. The Group does not have an option to purchase the leased aircraft at the expiry of the lease period.

The fixed and variable lease payments are denominated and settled in US Dollars. This currency is routinely used in international commerce for aircraft operating leases.

Commitments for leases of aircraft to be delivered from the second half of 2022 to 2024:

	30 June 2022 (unaudited)	31 December 2021
Within one year	25,828	9,372
After one year but not more than five years	231,047	64,494
More than five years	221,432	55,489
	478,307	**129,355**

In 2020 the Group signed operating lease agreements for three A321LR aircraft and for one A320CEO aircraft that was delivered in 2021. One A321 LR was delivered in May 2022 and remaining two expected during 2022.

In 2021 the Group signed operating lease agreements for four A320neo aircraft with expected delivery dates in 2022-2023 and for one A320CEO aircraft that was delivered in May 2022.

In 2022 the Group signed operating lease agreements for three A320neo aircraft and for three A321neo with expected delivery dates in 2022-2024 both for expansion and replacement of retiring aircraft.

In 2021 the Group has signed agreements for Full-flight simulator delivery and Simulator center construction in Nur-Sultan. The simulator is scheduled to be delivered to the airline in the second half of 2022. As of 30 June 2022 the Group has made prepayment in amount of USD 7,000 thousand.

Non-cancellable commitments related to the Simulator project:

	30 June 2022 (unaudited)	31 December 2021
Within one year	2,576	6,385
	2,576	**6,385**

Insurance

Aviation insurance

The Group puts substantial attention in conducting insurance coverage for its aircraft operations and hence places aviation risks in major international insurance markets (e.g. LIoyd's) with a high rating of financial stability through the services of an international reputable broker.

Types of insurance coverage are stated below:

- Aviation Hull, Total Loss Only and Spares All risks and Airline Liability including Passenger Liability;
- Aircraft Hull and Spare Engine Deductible;
- Aviation Hull and Spares "War and Allied Perils";
- Aviation War, Hi-Jacking and Other Perils Excess Liability.

Non – Aviation Insurance

Apart from aviation insurance coverage the Group constantly purchases non-aviation insurance policies to reduce the financial risk of damage to property and general liability, as well as covering employees from accidents and medical expenses, as follows:

- Medical insurance of employees;
- Directors, Officers and Corporate liability insurance;
- Property insurance;
- Comprehensive vehicle insurance;
- Compulsory insurance of employee from accidents during execution of labour (service) duties;
- Commercial general liability insurance (Public Liability);
- Pilot's loss of license insurance;
- Insurance of goods at warehouse;
- Cyber Insurance.

Taxation contingencies

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities, including opinions with respect to IFRS treatment of revenues, expenses and other items in the financial statements. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on this condensed consolidated interim financial information, if the authorities were successful in enforcing their interpretations, could be significant.

The functional currency of the Company is the US Dollar, as it best reflects the economic substance of the underlying events and circumstances of the Company. The Tax Code of the Republic of Kazakhstan does not contain provisions which would regulate questions arising from the application of a functional currency different from tenge in the accounting books. However, the Tax Code requires all taxpayers in Kazakhstan to maintain their tax records and to settle tax liabilities in tenge. Therefore the Company also maintains records and conducts calculations in tenge for the purpose of taxation and settlement of tax liabilities and makes certain estimates in this respect. Management believes that such approach is the most appropriate under the current legislation.

Operating Environment

The Group's operations are primarily based in Kazakhstan with significant operations to neighboring countries. Consequently, the Group is exposed to the economic and financial markets of Kazakhstan and other countries which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan and Central Asia.

This consolidated interim financial information reflect management's assessment of the impact of the business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

27. RELATED PARTY TRANSACTIONS

Control relationships

The shareholders of the Group are JSC "National Welfare Fund "Samruk-Kazyna" (which holds the investment on behalf of the Government of the Republic of Kazakhstan) and BAE Systems Kazakhstan Limited, which own 51% and 49% of the shares of the Group, respectively.

Management remuneration

Key management that have authority and responsibility regarding management, control and planning of the Group's activity received the following remuneration during the year, which is included in employee costs:

	Six-month period ended 30 June 2022 (unaudited)	**Six-month period ended 30 June 2021 (unaudited)**
Wages and salaries	3,911	2,892
Social tax	350	268
	4,261	**3,160**

Transactions with related parties

Related parties comprise the shareholders of the Group and all other companies in which those shareholders, either individually or together, have a controlling interest or significant influence.

The Group provides air transportation services to Government departments, Government agencies and State-controlled enterprises. These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not state-controlled.

The Group has established its buying, pricing strategy and approval process for purchases and sales of products and services. Such buying, pricing strategy and approval processes do not depend on whether the counterparties are state-controlled entities or not.

Having considered the potential for transactions to be impacted by related party relationships, the entity's pricing strategy, buying and approval processes, and what information would be necessary for an understanding of the potential effect of the relationship on the condensed consolidated interim financial information, management is of the opinion that the following transactions require disclosure as related party transactions:

	Six-month period ended 30 June 2022 (unaudited)	**30 June 2022 (unaudited)**	**Six-month period ended 30 June 2021 (unaudited)**	**31 December 2021**
Services received	**Transaction value**	**Outstanding balance**	**Transaction value**	**Outstanding balance**
State-owned companies	13,260	(1,423)	15,730	(1,608)
Shareholders and their subsidiaries	4,440	(1,875)	4,195	(2,203)
	17,700	**(3,298)**	**19,925**	**(3,811)**

Services from related parties are represented by airport, navigation and meteorological forecasting services.

Services provided by the Group	Six-month period ended 30 June 2022 (unaudited) Transaction value	30 June 2022 (unaudited) Outstanding balance	Six-month period ended 30 June 2021 (unaudited) Transaction value	31 December 2021 Outstanding balance
Shareholders and their subsidiaries	545	356	655	430
State-owned companies	-	-	-	3
	545	**356**	**655**	**433**

All outstanding balances with related parties are to be settled in cash within six months of the reporting date. None of the balances are secured.

28. SUBSEQUENT EVENTS

On 15 July 2022 and 19 July 2022 the Group made repayments of USD 7,000 thousand and 10,000 thousand, respectively, on the JSC Halyk Bank of Kazakhstan loan and fully repaid the loan ahead of schedule.

On 8 July 2022 the Group changed the number of authorised ordinary shares from 17,000 to 1,700,000 (not yet outstanding as at the date of approval of the condensed consolidated interim financial information). The ownership proportion of the shareholders remains the same: JSC "National Welfare Fund "Samruk-Kazyna" (which holds the investment on behalf of the Government of the Republic of Kazakhstan) and BAE Systems Kazakhstan Limited, which own 51% and 49% of the shares of the Group, respectively.

29. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The condensed consolidated interim financial information was approved by management of the Group and authorised for issue on 29 July 2022.